

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Triad

Oregon Manufacturing Extension Partnership

Lean and Plant Layout Leads to Increased Sales

Client Profile:

Triad Speakers, located in Portland, Oregon, manufactures and services high-end stereo speakers for the home theater market. Founded in 1982, the company currently employs 68 people.

Situation:

Triad Speakers operates in an intensely competitive environment. The availability of high performance products from foreign-produced sources puts considerable performance and price pressures on the company. To keep costs low and ensure the highest quality, it is necessary to tightly control the development and manufacturing process. Initially, the factory had very little flow and created its products in a "craftsman" approach with a single person responsible for the assembly of an entire speaker. Manufacturing costs associated with this approach were high and quality control was very difficult. Inventory of raw materials, work in process, and finished goods was high. Triad identified the need for the creation of an assembly approach that employed lean principles. Initially, the Oregon Manufacturing Extension Partnership (OMEP), a NIST MEP network affiliate, was engaged to assist in implementing a plant layout that would support consistent flow of materials, allow for the implementation of just-in-time inventory replenishment, and provide for standardized work and built in quality.

Solution:

OMEP assisted in the plant layout and was then engaged to assist in implementing processes that supported flow, including work standardization, workplace organization (5S), and a one-piece flow system. OMEP has also worked with company administrative personnel to improve Triad's information flows. Specific projects include Returned Materials value stream; Sales Order value stream; New Product Development value stream; Lean Accounting, and others. The primary result allows Triad to manufacture its products on a Build-to-Order basis. Because of this, they are not required to hold any finished good inventory. The ability to immediately respond to each customer's specific requirements within three days has resulted in considerable sales growth.

Results:

- * Increased sales from \$7 million to \$11.5 million.
- * Cost savings of \$400,000 in finished goods inventory, and \$50,000 in other areas.
- * Invested \$500,000 in plant, equipment and training.
- * Created 23 jobs.
- * Increased daily production of 60 to 100 units.
- * Enabled company to meet customer requirements within 3 days.

Testimonial:

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